

Project Financial Life Cycle

Glossary

Version 1.0 • 31 DEC 2012



Version History

This and other Framework Extension tools are available on the Framework Web site.

Release Date	Description
31-Dec-2012	Version 1.0 Project Financial Life Cycle released. Release reflects recommendation of the Framework Change Advisory Board approved by DIR (change request 64).

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Introduction

This glossary defines key terms used in the Project Financial Life Cycle Extension. Where applicable, links to the source of definitions are provided. When variances occur among definitions in this glossary and the source, the definition within the source supersedes the definition in this glossary.

Other glossaries that may be helpful for project financial practices include:

- [Texas Project Delivery Framework Glossary](#)
- [Preparing and Submitting Information Technology Detail in ABEST – Glossary](#)
- [Texas Comptroller of Public Accounts \(CPA\) Glossary](#)
- [Budget 101 by the Senate Research Center – Glossary](#)

Use of the Glossary

The Project Financial Life Cycle Glossary contains an alphabetical listing of terms and acronyms used in the Project Financial Life Cycle guide and tools. Each term and acronym is followed by its definition and source, where applicable.

Glossary

agency: as defined in [Texas Government Code, Chapter 2054](#), a department, commission, board, office, council, authority, or other agency in the executive or judicial branch of state government that is created by the constitution or a statute of this state, including a university system or institution of higher education

Source: [Framework Glossary](#)

Annual Financial Report: the financial report of the agency's financial condition legislatively required to be submitted to the Texas Comptroller of Public Accounts

Source: [CPA Glossary](#)

baseline request: the agency base level request in the Legislative Appropriations Request

Source: [Preparing and Submitting Legislative Appropriation Requests in ABEST](#)

Biennial Operating Plan (BOP): the operating plan addressing the appropriate use of information resources to support an agency's mission, goals, objectives, and strategies. The BOP is prepared by each state agency and submitted to the Legislative Budget Board, the Department of Information Resources, the Quality Assurance Team, and the governor each state fiscal biennium in accordance with the directions of the Legislative Budget Board.

Source: [Texas Government Code, Chapter 2054.100](#)

biennium: the budget period covered by the LAR and General Appropriations Act (GAA), consisting of two consecutive fiscal years beginning with an even-numbered fiscal year (i.e., beginning in an odd

numbered calendar year on September 1 and ending in the next odd numbered calendar year on August 31)

BOP amendment: agency amendment to the BOP for project identified out of cycle (i.e., after enactment of GAA), submitted to the Legislative Budget Board in conjunction with the Business Case and Statewide Impact Analysis submitted to the QAT

business case costs: the sum of project costs plus non-project/operational costs

Source: *Business Case Instructions*

Capital Budget Project: a project more than \$100,000 per biennium, including an item or asset with a unit cost exceeding \$100,000, or similar or identical items with individual unit costs of less than \$100,000 that comprise a functionally unified asset or asset improvement if the aggregate cost of the items exceeds \$100,000

Source: *GAA, 82nd Legislature, Regular Session, Article IX, Sec. 14.03. Limitation on Expenditures – Capital Budget*

capital budget authority: legislative approval to spend appropriated funds on capital goods and services as directed by a rider in the agency bill or listed elsewhere providing guidance in the GAA

capital costs: external costs totaling \$100,000 or more such as contract and consulting services, and project hardware/software purchases or maintenance

Source: *Preparing and Submitting Information Technology Detail in ABEST*

contingency: agency-derived cost percentage or amount added to project estimate, to mitigate risk of potential increases to cost, schedule and/or scope

Daily Operations project: a project that includes the costs required to provide for the continuation of information resources services necessary to operate the agency at current levels

Source: *Preparing and Submitting Information Technology Detail in ABEST – Glossary*

Department of Information Resources (DIR): provides statewide leadership and oversight for management of government information and communications technology

Source: *DIR web site, About DIR*

Exceptional Items: desired services in addition to the baseline request in the LAR

Source: *Preparing and Submitting Legislative Appropriation Requests in ABEST*

fringe benefits: state employee benefits not including pay for time worked; standard fringe percentage is provided in the Fiscal Note Workbooks by the Legislative Budget Board

General Appropriations Act (GAA): the law that appropriates biennial funding to state agencies for specific fiscal years and sets provisions for spending authority; it is divided into administrative sections, called articles, under which agencies are organized

Source: *Budget 101 by the Senate Research Center*

Governmental Accounting Standards Board (GASB): the ultimate authoritative accounting and financial reporting standard-setting body for state and local governments

Source: *CPA Glossary*

Information Technology Detail (ITD): the technology portion of the LAR, which is required for all information resource projects regardless of funding source; includes total project costs for each fiscal year through the project's end date

Source: *Preparing and Submitting Information Technology Detail in ABEST – Glossary*

informational costs (or items): items that are considered non-capital but are project related such as agency personnel, independent validation & verification (IV&V) services and travel

ITD costs: the sum of the capital and informational costs for a project; equal to the project cost (i.e., not including non-project/operational costs)

Legislative Appropriations Request (LAR): agencies' request for capital authority and general revenue, general revenue dedicated, federal, and other appropriated funds submitted to the Legislative Budget Board every two years to prepare the state budget for the new biennium

Source: *2014–15 Legislative Appropriation Requests – Detailed Instructions*

Legislative Budget Board (LBB): a permanent joint committee of the Texas Legislature that develops budget and policy recommendations for legislative appropriations for all agencies of state government, completes fiscal analyses for proposed legislation, and conducts evaluations and reviews for the purpose of identifying and recommending changes that improve the efficiency and performance of state and local operations and finances

Source: *LBB web site*

Method of Financing (MOF): identifies the source from which funds have been appropriated and/or are being requested

Source: *Preparing and Submitting Information Technology Detail in ABEST – Glossary*

non-project /operational costs: ongoing maintenance and other operational costs incurred after project implementation

Source: *Business Case Instructions*

project: as defined in [Texas Government Code, Chapter 2054](#), a project means an initiative that provides information resources technologies and creates products, services, or results within or among elements of a state agency; and characterized by well-defined parameters, specific objectives, common benefits, planned activities, a scheduled completion date, and an established budget with a specified source of funding

Source: *Framework Glossary*

project costs: as defined in the [Preparing and Submitting Information Technology Detail in ABEST instructions](#), a total of all costs that are associated with a project, including all Information Resources (IR) internal staff costs and all IR procurements, whether purchased, rented, leased, leased for purchase, or licensed, for all hardware, software, and services, regardless of source of funding or method of

procurement. The project life-cycle costs include all development costs until a project is placed in production. End-user staff members advising the project team on user requirements are not included in the project cost unless more than half of their time is devoted to the project.

Source: *Framework Glossary*

project financial activities: activities related to a project's finances, such as state budget appropriations, project business case analysis, project budget management and agency financial reporting

project financial life cycle: the method by which project financial activities are structured and executed, dependent on agency project management and project financial practices

project financial practices: external and agency-adopted requirements, guidelines and procedures for conducting project financial activities

project life cycle: the period from the inception date of a project through the date the project is completed and placed in production

Source: *Preparing and Submitting Information Technology Detail in ABEST – Glossary*

Project management practices: as defined in [Texas Government Code, Chapter 2054](#) and [Texas Administrative Code, Chapter 216](#); documented and repeatable activities through which a state agency applies knowledge, skills, tools, and techniques to satisfy project activity requirements

Source: *Framework Glossary*

Quality Assurance Team (QAT): oversight for major information resource projects; one member each from the Legislative Budget Board, Department of Information Resources and State Auditor's Office

Source: [Texas Government Code, Chapter 2054.158](#)

review gate: a distinct division of project effort for a specified purpose that involves successful completion of specific deliverables in order to obtain agency head approval before proceeding with the remaining project activities. Each review gate is intended to synchronize the state's investment in a project based on approval of business outcomes at a specific point during project delivery

Source: *Framework Glossary*

staff costs: cost of agency employees participating in the project, including fringe benefits; does not include staff augmentation (i.e., contractors)

State Auditor's Office (SAO): the independent auditor for Texas state government

Source: *SAO web site, About the SAO*

Texas Comptroller of Public Accounts (CPA): the chief steward of the state's finances, acting as tax collector, chief accountant, chief revenue estimator and chief treasurer for all of state government

Source: *CPA web site, About Us*